REMARKS

The Applicant respectfully traverses the Examiner's rejections of pending claims 21-36. The Examiner has not made out a *prima facie* case of obviousness under 35 USC Section 103(a), or a *prima* facie case under 35 USC Section 101 or 35 USC Section 112. As such, the Applicant respectfully asserts that all of the claims as presented are allowable over the art of record.

The Examiner states that inventors are not discouraged from prosecuting applications for letters patent; however, lack of skill in this field may serve as a liability in affording the maximum protection for the invention disclosed. The Applicant interprets this comment from the Examiner as stating that the claims that Applicant is entitled to should be broader than originally presented.

DRAWINGS

The Examiner states that this application has been filed with drawings that are considered informal and acceptable for examination purposes only. The Examiner further states that the proposed drawing correction and/or the proposed substitute sheets of drawings (FIG. 3) in Pre-Amendment B, paper #5, filed 10/15/1998 have been objected to because they have not been filed in a separate paper addressed to the draftsperson. Applicant encloses herewith a separate paper addressed to the draftsperson as requested by the Examiner.

ABSTRACT

The Examiner suggested that the first sentence of the abstract in Pre-Amendment B be deleted and that the second sentence should read: "A computer peripheral simplifies and safeguards the flow of monetary transaction information onto the Internet." Applicant has made this amendment as suggested by the Examiner.

CLAIM REJECTIONS — 35 U.S.C. §112 ¶2

The Examiner has failed to make out a *prima facie* rejection of claims 24-33 under 35 U.S.C. §112 ¶2. There is no basis in law or in fact to reject these claims since many claims must be implemented through the use of devices. Applicant's claims are no different. To not permit allowance of these types of claims is an error of law and contrary to claims that have been historically allowed by the patent office from its inception. The rejection of these claims under 35 U.S.C. §112 ¶2 is improper and should be withdrawn.

In support of his rejection of claims 24-33 the Examiner quotes the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

The Examiner further states that claims 24-33 are rejected as indefinite pursuant to 35 U.S.C. §112 ¶2 as being mixed "class" claims. The Examiner further states that claim 24 is a single claim which claims both the steps of using an apparatus, as well as claiming the apparatus. The Examiner further states that claim 24 is indefinite because as worded because the preamble of claim 24 "mixes" the introduction of a method with the introduction of an apparatus, i.e., the preamble of claim 24 introduces a method of entering monetary transaction information from credit or debit cards and the preamble of claim 24 also introduces either a smart card or magnetic striped card apparatus. The Examiner further asserts that the body of claim 24 mixes the steps of providing, capturing and safeguarding with apparatus elements of having a secure link, having a

magnetic strip reader or smart card reader and having means for communicating. The Examiner further rejected claims 25-33 pursuant to 35 U.S.C. §112 ¶2 as being dependent upon rejected base claims.

The Applicant has amended claim 24 to streamline the claim. The use of the smart card reading peripheral in combination with the method steps claimed enables the claimed method. The claim as amended is allowable.

The Examiner rejected claims 28 and 34 as being indefinite pursuant to 35 U.S.C. §112 ¶2 because the Examiner asserts that the claims improperly recite the Markush form of alternative claim language. Applicant traverses the Examiner's rejection, but has amended the claim to assist in expeditious issuance of the case.

With respect to claim 34, the Examiner asserts that claim 34 is indefinite as originally filed. The Applicant traverses the Examiner's rejection. The claim is definite. To expedite the prosecution of the case, the Examiner has incorporated the Examiner's suggested language with respect to this claim recitation.

CLAIM REJECTIONS — 35 U.S.C. §101

The Applicant asserts that the Examiner has not made out a *prima facie* rejection under 35 U.S.C. §101. There is nothing unusual or improper in having a machine used to implement a process as claimed by Applicant. A process of conforming a shrink wrap to a product shape is accomplished by a hair dryer. There is nothing improper about this type of claim.

In support of his rejection, the Examiner asserts that claim 24 is improper under

35 U.S.C. §101 as being "directed to neither a 'process' nor a 'machine,' but rather embraces or overlaps two different statutory classes of invention set forth in 35 U.S.C. §101. The Examiner asserts that 35 U.S.C. §101 is drafted so as to set forth the statutory classes of invention in the alternative only." The Examiner cites MPEP 2173.05(p)(II) in support of his rejection. As amended, claim 24 only recites a method, and the method steps to implement the method. Hence, the Applicant asserts that the rejection of claims 24-33 should be withdrawn.

CLAIM REJECTIONS —35 U.S.C. §103(a)

The Applicant respectfully asserts that the Examiner has not made out a *prima facie* case of obviousness over Schneier, Bruce APPLIED CRYPTOGRAPHY (New York: John Wiley & Sons, Inc. 1994) (herein referred to as "Schneier").

The Examiner rejected claims 21-36 under 35 U.S.C. § 103(a) as being unpatentable over Schneier. In support of his rejection of claim 21, the Examiner asserts that Schneier at pp. 117-124; pp. 428-435; pp. 296-297; and p. 436 suggests: "An Internet linked computer peripheral as an input device for a personal computer or workstation simplifying and safeguarding the flow of monetary transaction information onto the Internet, comprising, in combination: a smart card reader for reading credit and/or debit card information from an information bearing smart credit and/or debit card; and a secure link to the Internet, whereby the capture of monetary transaction is safeguarded by capture of the information on a transaction by transaction basis."

The Examiner concedes that Schneier does not explicitly show "credit or debit cards." To fill the whole in the teaching in the **non-analogous** art refernce the Examiner looks to Schneier at pp. 296-297. The Examiner asserts that these pages of the reference suggest "credit

or debit cards." Based upon these sections of Schneier, the Examiner reasons that it "would have been obvious at the time the invention was made to a person having ordinary skill in the art that the Schneier (pp. 296-297) "*smart card*" disclosure *would have been selected* in accordance with "credit or debit cards" because smart credit and debit cards would have been ***notoriously well known by one of ordinary skill in the art at the time of the invention.***" (Emphasis added.)

The Examiner concedes that Schneier fails to teach all of the elements claimed in claim 21. This is why the Examiner failed to reject claim 21 under 35 U.S.C. § 102. This is not surprising since Schneier is not directed to the computer peripheral art. Schneier is non-analogous art to the computer peripheral art. Indeed, the title of Schneier states that it is directed to the Applied Cryptography art related to protocols, algorithms, and source code in C, ***and not*** the non-analogous computer peripheral art. The Examiner has provided no plausible motivation for an artisan in the computer peripheral art to look to the applied cryptography art of Schneier to obtain teachings therefrom.

The Examiner's assertion that Schneier suggests the all of Applicant's elements claimed in claim 21 and in the other claims does not establish a *prima facie* case of obviousness. ***The Examiner is simply citing a reference, Schneier, which indicates to the Examiner that isolated elements and/-or features recited in the claims are allegedly known. This is not a sufficient basis for concluding that the combination of claimed elements or applicant's method would have been obvious. Ex parte Hiyamizu, 10 USPQ2d 1393 (Bd. Pat. Appeals & Int. 1988). This is impermissible error.***

"Under 35 U.S.C. § 103 where the Examiner has relied on the teachings of several references [***or as in this case several places of text in a single reference***], the test is whether or

not the references [*or* reference] viewed individually and collectively would have suggested the claimed invention to the person possessing ordinary skill in the art. [Citing *In re Kaslow*] It is to be noted, however, that citing references which merely indicate that ***isolated elements and/-or features recited in the claims are known is not a sufficient basis for concluding that the combination of claimed elements would have been obvious***. That is to say, there should be something in the prior art or a convincing line of reasoning in the answer suggesting the desirability of combining the reference in such a manner as to arrive at the claimed invention." *Ex parte Hiyamizu*, 10 USPQ2d 1393 (Bd. Pat. Appeals & Int. 1988) (Emphasis added).

The Examiner simply cannot provided a convincing line of reasoning to combine elements discussed in various parts of Schneier (a non-analogous source of art). Indeed, if one were to combine the various parts of Schneier, one would still not arrive at the Applicant's invention. The portions of Schneier the Examiner cites for the teaching of elements of a computer peripheral do not teach or suggest what the Examiner asserts it teaches or suggests. ***Where the Examiner commits error in the factual finding of what a reference teaches, the ultimate conclusion of obviousness is not supported by the evidence of record and must be reversed.*** In re Lueders, ___F.3d (Fed. Cir. 1997) ("It appears from the Board's reasoning that it misinterpreted the above phrase from column 4, lines 43-46 of Hawkins concerning "other display/input means". The Board must have read this phrase as if it were "other display and/or input means". While Hawkins does suggest using a touch capacitive keyboard and a liquid crystal display, it does not suggest using both a pressure sensitive keyboard and a liquid crystal display. Rather, we are persuaded by Lueders' arguments which are based on examples from the art; absent any contrary evidence cited by the Board in its opinion, we reverse the Board on this point.")

There is no mention of a computer peripheral at all in Schneier. To wit,

- pp.117-124 generally relate to paper money orders, and digital money orders and currency. These pages of Schneier are silent with respect to any elements of a computer peripheral.
- pp. 428-435 generally relate to Internet Privacy-Enhanced Mail standards. These pages of Schneier are silent with respect to any elements of a computer peripheral.
- pp. 296-297 generally relate to a multi-signature scheme by which a number of people can sequentially sign a message, and the identification of Peggy as a smart card. These pages of Schneier are silent with respect to any elements of a computer peripheral.
- p. 436 generally relates to military message security protocols and pretty good privacy programs. These pages of Schneier are silent with respect to any elements of a computer peripheral.

If one combines paper money orders, digital money orders, with Internet Privacy-Enhanced Mail standards, a multi-signature scheme by which a number of people can sequentially sign a message, with a smart card, with military message security protocols, and pretty good privacy programs, one does still not teach or fairly suggest an Internet linked computer peripheral as an input device for a personal computer or workstation, comprising, in combination a smart card reader for reading credit and/or debit card information from an information bearing smart credit and/or debit card; and, a secure link to the Internet. The teaching or suggestion of an Internet linked computer peripheral as an input device for a personal computer or workstation is missing from Schneier. ***The Applicant respectfully asserts that the Examiner has committed an error in the factual finding of what*** Schneier ***allegedly teaches. The ultimate conclusion of obviousness is not supported by the evidence of record and must be***

reversed. In re Lueders, ___F.3d ___ (Fed. Cir. 1997).

The Examiner's assertion that a "*smart card*" disclosure *would have been selected* in accordance with "credit or debit cards" because smart credit and debit cards would have been ***notoriously well known by one of ordinary skill in the art at the time of the invention*** does not ***as a matter of law*** fill this void and provide a convincing line of reasoning suggesting the desirability of modifying Schneier in such a manner as to arrive at the claimed invention. It is not surprising that no convincing line of reasoning can be derived from the art of record since paper money orders, digital money orders, Internet Privacy-Enhanced Mail standards, a multi-signature scheme by which a number of people can sequentially sign a message, military message security protocols, pretty good privacy programs have nothing to with solving the problems of Internet shopping Applicant's invention solves.

The invention solves the problem of easily entering and securely transmitting credit and debit card information onto a user's personal computer for Internet shopping, etc. The conventional way that this information is entered is by typing the information from the front of a plastic debit or credit card onto a keyboard of a computer. This is a painstaking process that is prone to problems since a user can make a mistake with one number and the transaction will not be processed or be authorized. Further, the user may have multiple credit cards, and may alternate between cards making it even more difficult to enter the information from the card that the user wants to use.

None of the art or record, alone or in combination, was directed to solving the credit/debit card entry problems that consumers face when doing Internet shopping. The invention also solves the problem of security for Internet shopping. None of the art of record, alone or in combination, solves both of these problems simultaneously using the Applicant's claimed

method.

The Examiner's "assumptions" with respect to what was allegedly well known in the area of Internet shopping at the time the invention was made do not constitute art upon which a proper rejection can be based. "(Applicant) argues that the examiner has not established a ***prima fade*** case of obviousness and that the ***examiners assumptions*** do not constitute the disclosure of the prior art. (The prior art is (the art of record), and it does not indicate that the relationship is well known in the art, nor does it suggest the claimed relationship. While the condition described may be an optimal one, it is not "inherent" in (the art of record). ***Nor are the means to achieve this optimal condition disclosed in [the art of record], explicitly or implicitly.*** Such a retrospective view of inherency is not a substitute for some teaching or suggestion supporting an obviousness rejection." ***In re Rijckaert,*** 9 F. 3d 1531, 1533-1534 (Fed. Cir. 1993)(Emphasis added.) There is simply no teaching or suggestion for a smart card reading computer peripheral that solves the problems of Internet shopping by providing a smart card reader and a secure Internet link as claimed by Applicant.

The Examiner has conducted an impermissible case of hindsight reconstruction of the Applicant's invention using the Applicant's specification as a blueprint.

With respect to claim 22, the Examiner asserts that Schneier shows the system of claim 21 as discussed above. With respect to the recitations of claim 22, the Examiner concedes that the pages of Schneier cited above have a void. They fail to teach or suggest a secure link to the Internet that comprises an encryption routine on the computer peripheral encrypting the credit and/or debit card information prior to transmission of the credit or debit card information to the personal computer or workstation. The Examiner attempts to fill this gap of knowledge in the art by looking to Schneier pp. 165-169 which the Examiner contends suggests this recitation.

From the alleged teachings of Schneier at pp. 165-169, the Examiner concludes that it would have been obvious at the time the invention was made to a person having ordinary skill in the art to include Schneier's (pp.165-169) *"multiple encryption"* in a computer peripheral. The Examiner in essence asserts that Schneier's (pp.165-169) *"multiple encryption"* would have been selected in a computer peripheral in accordance with "encrypting information prior to transmission of the credit card information" because such methods would have been notoriously well known by one of ordinary skill in the art at the time the invention was made.

The Examiner has clearly committed an error of law by applying an incorrect standard for establishing ***a prima facie case of obviousness.*** "In order to establish a ***prima facie*** case of obviousness, it is necessary for the examiner to present *evidence,* preferably in the form of some teaching, suggestion, incentive or inference in the applied prior art, or in the form of generally available knowledge, that one having ordinary skill in the art *would have been led* to combine the relevant teachings of the applied references in the proposed manner to arrive at the claimed invention." Ex parte Revenged, 28 U5PQ2d 1300, 1031 (B.P.A.I. 1993).

There is no discussion of a computer peripheral in Schneier's (pp.165-169) or the other sections of Schneier cited by the Examiner. Pp. 165-169 generally relates to encryption of a plaintext block. There is no discussion of multiple encryption of credit or debit card information. There is a gap of knowledge in the art. There is no evidence or suggestion to use multiple encryption on a computer peripheral or encryption of credit or debit card information or using the method steps claim in the sequence claimed by Applicant. The Examiner's rejection is based upon a lack of evidence. It is improper and must be withdrawn.

With respect to claim 23, the Examiner asserts that Schneier shows the "system" of

claim 22. The Examiner contends that pp. 165-169 of Schneier (in combination with pp. *428-435;* pp. 296-297; p. 436 discussed above) suggests the computer peripheral of claim 22 in which the secure link further comprises an encryption routine at the personal computer or work station encrypting the credit or debit card information prior to transmission of the credit or debit card information onto the Internet.

The Examiner concedes that Schneier does not explicitly show the order in which the encryption is accomplished. The Examiner attempts to fill this void by stating that it is filled since Schneier suggests multiple ways of encrypting. From this assertion, the Examiner concludes that it would have been obvious at the time the invention was made to a person having ordinary skill in the art to select Schneier's (pp.165-169) *"multiple encryption"* in accordance with "encrypting... information prior to transmission of the credit. . . card information because such methods would have been notoriously well known by one of ordinary skill in the art at the time the invention was made. There is a gap in the knowledge in the art that the Examiner is trying to fill but cannot fill. The pages of Schneier (pp.165-169) relating to *"multiple encryption"* are silent with respect to having the encryption take place on more than one device, e.g. a computer peripheral and a computer or workstation. There is simply no teaching or suggestion in the art to fill this void. The Examiner is filling this void by looking at the Applicant's disclosure. The law and the application of the law to the case at hand is clear. "The cited references would not have taught or suggested the structure of the claimed [invention] in the absence of prior knowledge of [Applicant's invention]. ***[Applicant's] system is not prior art against the claims of his own patent application.*** Nor is obviousness established by combining the teachings of the prior art to produce the claimed invention, absent some teaching or

suggestion that the combination be made." *In re Stencel,* 828 F. 2d *751* (Fed. Cir. 1987) (Emphasis added.).

Claim 24, as amended, recites:

A method comprising, providing individuals making monetary transactions with a smart card reading computer peripheral as an input device for a personal computer or workstation, said smart card reading computer peripheral designed to send monetary transaction data to said personal computer or workstation for delivery onto the Internet, and securely sending monetary transaction data read by said smart card reading computer peripheral from the personal computer or workstation onto the Internet for further processing.

With respect to claim 24, the Examiner asserts that he has interpreted claim 24 as a method claim. Claim 24 is a method claim. In formulating his rejection, the Examiner asserted that he disregarded elements and limitations of claim 24 which suggest "having" structural elements. Moreover, the Examiner rejected claim 24 for substantially the same reasons as claim 21. With respect to claim 24, Applicant asserts that the pages of Schneier, alone or in combination with the other art of record, do not teach or fairly suggest the method claimed by Applicant in claim 24. There is no teaching or suggestion in the art of record, alone or in combination, of a smart card reading computer peripheral as an input device for a personal computer or workstation. Since there is a gap in the art about this device, it follows that there is even a larger gap about what to do with such a device. "One cannot choose from the unknown." *In re Ochiai*, __ F. 3d __ (Fed. Cir. 1995)(Citing Mancy, 499 F. 2d at 1293, 182 USPQ at 306.). Moreover, as described above Schneier is silent about solving the problems of Internet shopping. Hence, it is not surprising that, none of the art of record, alone or in combination, fails to teach or

fairly suggest providing individuals making monetary transactions with a smart card reading computer peripheral as an input device for a personal computer or workstation. The references aren't directed to solving the problems of Internet shopping. Hence, it is not surprising that there is no suggestion or motivation in any of the art of record for designing the smart card reading computer peripheral to send monetary transaction data to the personal computer or workstation for delivery onto the Internet or for securely sending monetary transaction data read by the smart card reading computer peripheral from the personal computer or workstation onto the Internet for further processing. Schneier is silent about the data being read by one device, and being sent by a second device onto the Internet. The rejection is improper and should be withdrawn.

With respect to claim 25, claim 25 recites the method of claim 24 further comprising encrypting or coding at least a portion of the monetary transaction data entered by respective individuals prior to transmission of the monetary transaction data to the personal computer or the work station. In support of his rejection, the Examiner asserts that Schneier at p. 34-39; pp. 70-71; pp. 59-69; pp. 428-435; pp. 296-297; p. 436, and pp. 165-169) shows elements that suggest "encrypting or coding at least a portion of the card information entered by respective individuals prior to transmission of the card information to the personal computer or the work station."

The Examiner concedes that Schneier does not explicitly show "a portion of the card information entered by respective individuals. " The Examiner tries to fill this gap in knowledge in the non-analogous art by citing to Schneier at p. 28; pp. 329-330; pp. 70-71 and pp. 165-169 and asserting that these portions of suggest the recitations of claim 25. From these sections of the art, the Examiner concludes that it would have been obvious at the time the invention was made to a person having ordinary skill in the art that the disclosure of Schneier

(pp. 329), i.e., *"Message Digest"* would have been selected in accordance with "a portion of the card information entered by respective individuals." of messages, because *"Message Digest"* capability would have provided a fingerprint of the message that is unique.

Schneier at pp. 329-330 does not help make out a *prima facie* case of obviousness of claim 25. This portion of the art generally relates to an MD4-5 128-bit hash of an input message. There is an absolute lack of any suggstion of the claimed method recitation. This portion of the art, alone or in combination with the other art of record, simply does not teach or fairly suggest Applicant's claimed method recitation of encrypting or coding at least a portion of the monetary transaction data entered by respective individuals prior to transmission of the monetary transaction data to the personal computer or the work station. "The ultimate determination of whether an invention is or is not obvious is a legal conclusion based on underlying factual inquiries including: (1) the scope and content of the prior art; (2) the level of ordinary skill in the prior art; (3) the differences between the claimed invention and the prior art; and (4) ***objective evidence of nonobviousness***." In re Dembiczak, __ F.3d ___ (Fed. Cir. 1999) (Emphasis added.) The Examiner has produced no evidence of a suggestion of this claim recitation, including but not limited to the timing of the encryption or coding. The rejection is improper and must be withdrawn.

Claim 26 recites the method of claim 24 further comprising encrypting or coding at least a portion of the monetary transaction data entered by respective individuals prior to transmission of the card information to the Internet. Claim 27 recites the method of claim 25 further comprising encrypting or coding at least a portion of the monetary transaction data

entered by respective individuals prior to transmission of the card information to the Internet. The Examiner has produced no evidence of a suggestion of this claim recitation, including but not limited to the timing of the encryption or coding. The rejection is improper and must be withdrawn. In re Dembiczak, __ F.3d __ (Fed. Cir. 1999). With respect to claims 26 and 27, the Examiner asserts that Schneier shows the method of claim 24 and 26. For the reasons stated above, the rejection of claims 26 and 27 on the basis of the rejection of claims 24 and 26 is improper.

Claim 28 recites the method of claim 24 in which said monetary transaction data further comprises credit card or debit card information, and in which said securely sending monetary transaction data read by said smart card reading computer peripheral from the personal computer or workstation onto the Internet for further processing further comprises presenting the credit card or debit card information to the computer peripheral; transferring encrypted credit card or debit card information from the personal computer or work station to the Internet; and, off-loading the encrypted credit or debit card information from the Internet to a processor, the processor being a card account processor, bank credit card processing device, debit card processing device, recipient credit card processing device and a debit card processing device. The Examiner rejected claim 28 for substantially the same reasons as claim 24. The Applicant reasserts his previous position with respect to claim 24 and states that it applies with equal force with respect to claim 28.

Further, the Examiner has failed to provide a teaching or fair suggestion in the art of record, alone or in combination for the recitation of ***off-loading the encrypted credit or debit card information from the Internet to a processor***. The art of record, alone or in combination,

was not directed to solving the problems of on-line shopping. It would not have occurred to a person of ordinary skill to try the proposed combination of claimed features of claim 28 until the gap in the knowledge and understanding of those of ordinary skill in the art regarding the benefits of the combination of these features were understood. This gap in knowledge was filled by the Applicant's invention.

At the time the invention was made there was a significant gap in the knowledge and understanding of those of ordinary skill in the art necessary to combine the method steps of claim 28. No one in the art was directing their attention to motivating Internet shopping by consumers with smart cards or addressing the problems associated with this kind of Internet shopping. No one, except for Applicant, realized that global monetary transactions could be made quickly, without error and without risk of fraud using Applicant's claimed method and system. There is a cooperative relationship between the combination of Applicant's method recitations. The identifiable advantage that arises from the interaction of the method steps of claim 24 and the other dependent claims: The art is directed to solving problems other than those solved by the Applicant, and so it is not surprising that these claim recitations are absent from the art.

Claim 29 recites the method of claim 28 in which the card information is encrypted at the smart card reading computer peripheral. Claim 30 recites the method of claim 28 in which the credit card or debit card information is encrypted at the personal computer or workstation. Claim 31 recites the method of claim 28 in which the card information is encrypted at both the personal computer or workstation and at the smart card reading computer peripheral. The Examiner has not established a *prima facie* rejection of claims 29-31. The rejections are improper and should be withdrawn.

The Examiner asserts that claims 29, 30 and 31 are rejected for substantially the same reasons as claim 25. This means that the Examiner asserts that Schneier at p. 34-39; pp. 70-71; pp. 59-69; pp. 428-435; pp. 296-297; p. 436, and pp. 165-169 and p. 28; pp. 329-330; pp. 70-71 and pp. 165-169 teaches or fairly suggests the method recitations of claims 29-31.

For the reasons stated above, the art is silent with respect to the location of any encryption, much less encryption of credit and debit card information. The Examiner tries to fill this gap in knowledge in the non-analogous art by citing to Schneier and relying on the disclosure of Schneier (pp. 329), i.e., *"Message Digest."*

Schneier at pp. 329-330 does not help make out a *prima facie* case of obviousness of claims 29-31. As stated previously, this portion of the art generally relates to an MD4-5 128-bit hash of an input message. There is an absolute lack of any suggestion of the claimed method recitations of claims 29-31. This portion of the art, alone or in combination with the other art of record, simply does not teach or fairly suggest Applicant's claimed method recitations of encrypting or coding at least a portion of the monetary transaction data entered by respective individuals prior to transmission of the monetary transaction data to the personal computer or the work station or as otherwise claimed. "The ultimate determination of whether an invention is or is not obvious is a legal conclusion based on underlying factual inquiries including: (1) the scope and content of the prior art; (2) the level of ordinary skill in the prior art; (3) the differences between the claimed invention and the prior art; and (4) ***objective evidence of nonobviousness***." In re Dembiczak ___ F.3d ____ (Fed. Cir. 1999) (Emphasis added.) The Examiner has produced no evidence of a suggestion of these claim recitations, including but not

limited to the timing of the encryption or coding or the types of devices upon which these recitations are executed. The rejection is improper and must be withdrawn.

Claim 32 recites the method of claim 28 further comprising the steps of correlating transaction information other than the card information to the encrypted debit or credit card information, and decoding the encrypted debit or credit card information at a device remotely located from the personal computers or work stations. There is no teaching or fair suggestion in the art, alone or in combination for the recitation of off-loading as claimed in claim 28. As such, the rejection of claim 32 is improper and must be withdrawn.

Moreover, the Examiner rejected claim 32 because the Examiner asserts that Shneier shows the method of claim 28. The Examiner concedes that Schneier does not explicitly show "correlating transaction information other than the card information to the encrypted card information...." The Examiner tries to fill the void resulting from a lack of teaching or suggestion in the art of the Applicant's claimed recitations by citing to Schneier at pp. 34-39; pp. 70-71; and pp. 59-69 and asserting that this portion of text suggests Applicant's claimed recitations in claim 32. The Examiner concludes that it would have been obvious at the time the invention was made to a person having ordinary skill in the art that the Schneier disclosure of *"timestamping"* would have been selected in accordance with "correlating transaction information other than the card information to the encrypted card information because *"timestamping"* would have been notoriously well known by one of ordinary skill in the art at the time of the invention.

This citation does not help the Examiner make out a *prima facie* case of obviousness of claim 32. Pages 34-39 generally deal with digitally signing documents. Pages 70-71 generally

relate to group signatures. Pages 59-69 generally relate to secret sharing of secret sauces, certification that a document existed at a certain date (time-stamping), subliminal channels, undeniable digital signatures, and fail-stop digital signatures. These sections of art clearly do not fairly suggest Applicant's claimed recitations: correlating transaction information other than the card information to the encrypted debit or credit card information, ***and*** decoding the encrypted debit or credit card information at a device remotely located from the personal computers or work stations.

In fact, this is not surprising since the reference is non-analogous art to the Applicant's invention. The art of record, alone or in combination, was not directed to solving the problems of on-line shopping. It would not have occurred to a person of ordinary skill to try the proposed combination of claimed features of claim 32 until the gap in the knowledge and understanding of those of ordinary skill in the art regarding the benefits of the combination of these features were understood for facilitating Internet shopping using smart cards. This gap in knowledge was filled by the Applicant's invention.

At the time the invention was made there was a significant gap in the knowledge and understanding of those of ordinary skill in the art necessary to combine the method steps of claim 32. Consequently, the art did not suggest, alone or in combination the decoding step or any of the other steps claimed. No one in the art was directing their attention to motivating Internet shopping by consumers with smart cards or addressing the problems associated with this kind of Internet shopping, including correlating additional information to the card information or decoding the information.

Claim 33 recites the method of claim 28 further comprising entering a PIN number. The Examiner has not made out a *prima facie* case of obviousness of claim 33 since there is no teaching or fair suggestion of this claim recitation in combination with the recitations of claim 28.

With respect to claim 33, the Examiner asserts that Schneier shows the method of claim 28. As stated above there is no factual support for the assertion the Examiner makes. The rejection of claim 33 is improper on this basis and should be withdrawn. In fact, the Examiner concedes that Schneier does not explicitly show "entering a PIN number on said computer peripheral or workstation." The Examiner attempts to fill this gap in the art by citing to Schneier at p. 34-39; pp. 70-71; pp. *59-69;* pp. 428-435; pp. 296-297; p. 436, and pp. 165-169, and particularly to Schneier at p. 34-39; pp. 70-71; and pp. 59-69 for the proposition that the Applicant's claimed recitation is suggested there. From this the Examiner concludes that it would have been obvious at the time the invention was made to a person having ordinary skill in the art that the Schneier disclosure of a unique identifier would have been selected in accordance with "entering a PIN number on said computer peripheral or workstation" because unique identifiers would have been notoriously well known by one of ordinary skill in the art at the time of the invention.

The art of record does not help the Examiner make out a *prima facie* case of obviousness. Schneier at p. 34-39; pp. 70-71; and pp. 59-69 does not provide support for the Examiner's assertion that the Applicant's claimed recitations are suggested there. Pages 34-39 generally deal with digitally signing documents. Pages 70-71 generally relate to group signatures. Pages 59-69 generally relate to secret sharing of secret sauces, certification that a

document existed at a certain date (time-stamping), subliminal channels, undeniable digital signatures, and fail-stop digital signatures. There portions do not teach or fairly suggest a PIN entered in an Internet shopping transaction. This is not surprising since the reference is not directed in solving the problems of Internet shopping. As such, this rejection is improper and should be withdrawn.

Claim 34 recites a kit for streamlining Internet transactions. The kit includes an Internet linked mag stripe card reading or smart card reading computer peripheral as an input device for a personal computer or workstation, a communication link for communicating the credit or debit card information to a personal computer; and, a routine that allows the card information to be securely transferred from the computer peripheral to a remote computer other than the personal computer or workstation, the remote computer being communicatively linked to the Internet.

The Examiner rejected the kit claimed in claim 34 for substantially the same reasons as claim 21. In support of his rejection of claim 21, and thus claim 36, the Examiner asserts that Schneier at pp. 117-124; pp. 428-435; pp. 296-297; and p. 436 suggests: "An Internet linked computer peripheral as an input device for a personal computer or workstation simplifying and safeguarding the flow of monetary transaction information onto the Internet, comprising, in combination: a smart card reader for reading credit and/or debit card information from an information bearing smart credit and/or debit card; and a secure link to the Internet, whereby the capture of monetary transaction is safeguarded by capture of the information on a transaction by transaction basis."

There is a substantial gap in the art that the Examiner cannot fill. The art, alone or in combination fails to teach or fairly suggest the elements of Applicant's claimed kit: a card reading peripheral, a personal computer and a remote computer other than the personal computer or workstation connected to the Internet. The Examiner has failed to supply any evidence to show that these elements of Applicant's claimed kit are taught or fairly suggested in the art of record, alone or in combination. That is not surprising since the art was not directed at solving the problems of Internet shopping for a consumer through the provision of Applicant's claimed kit. The rejection of claim 34 is improper and should be withdrawn.

The same argument pertains to the rejection of claims 35 and 36. Claims 35 and 36 were rejected on the same grounds as claim 34. The Examiner asserts that Schneier at p. 34-39; pp. 70-71; pp. 59-69; pp. 428-435; pp. 296-297; p. 436, and pp. 165-169 suggests a "remote computer..an acquiring bank computer, and a card account processor computer." These citations do not assist the Examiner in making out a *prima facie* case of obviousness. The reference does not solve the problem of Internet shopping. These claim recitations are not suggested in the art. In fact, the Examiner admits that Schneier does not explicitly teach or suggest Applicant's claimed recitations of: a monitor, at least two speakers, and a keyboard or the recitation of claim 36 related to the Internet.

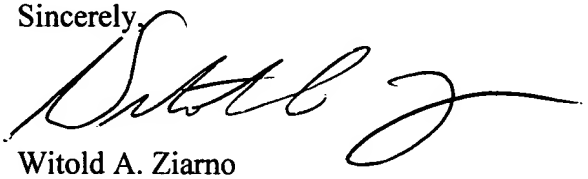
Yet the Examiner concludes that it would have been obvious at the time the invention was made to a person having ordinary skill in the art that the disclosure of Schneier would have been selected in accordance with "a monitor, speakers, and a keyboard" because such a configuration would have been notoriously well known by one of ordinary skill in the art at the time of the invention. There can be no motivation to include these elements from the disclosure of the reference since the reference is not directed to solving the problems of Internet

shopping for consumers. The Examiner concedes that Schneier does not explicitly show a "kit further comprising the Internet." The rejection is improper and should be withdrawn.

CONCLUSION

Applicant respectfully asserts that the case is in condition for allowance. An early and favorable notice of allowability is earnestly requested. Applicant also petitions for a three (3) month extension of time from January 12, 2001 to April 12, 2001 to respond. Checks for the fee are enclosed herewith. A clean copy of the claims is attached hereto as Attachment A.

Sincerely,



Witold A. Ziarno

Dated: April 12, 2001

Attachment A

21. An Internet linked computer peripheral as an input device for a personal computer or workstation comprising, in combination:

a smart card reader for reading credit and/or debit card information from an information bearing smart credit and/or debit card; and, a secure link to the Internet.

22. The computer peripheral of claim 21 in which the secure link to the Internet comprises an encryption routine on the computer peripheral encrypting the credit and/or debit card information prior to transmission of the credit or debit card information to the personal computer or workstation.

23. The computer peripheral of claim 21 in which the secure link further comprises an encryption routine at the personal computer or work station encrypting the credit or debit card information prior to transmission of the credit or debit card information onto the Internet.

24. A method comprising,

providing individuals making monetary transactions with a smart card reading computer peripheral as an input device for a personal computer or workstation, said smart card reading computer peripheral designed to send monetary transaction data to said personal computer or

workstation for delivery onto the Internet, and securely sending monetary transaction data read by said smart card reading computer peripheral from the personal computer or workstation onto the Internet for further processing.

25. The method of claim 24 further comprising encrypting or coding at least a portion of the monetary transaction data entered by respective individuals prior to transmission of the monetary transaction data to the personal computer or the work station.

26. The method of claim 24 further comprising encrypting or coding at least a portion of the monetary transaction data entered by respective individuals prior to transmission of the card information to the Internet.

27. The method of claim 25 further comprising encrypting or coding at least a portion of the monetary transaction data entered by respective individuals prior to transmission of the card information to the Internet.

28. The method of claim 24 in which said monetary transaction data further comprises credit card or debit card information, and in which said securely sending monetary transaction data read by said smart card reading computer peripheral from the personal computer or workstation onto the Internet for further processing further comprises presenting the credit card or debit card information to the smart card reading computer peripheral; transferring encrypted credit card or debit card information from the personal computer or work station to the Internet; and, off-loading the encrypted credit or debit card information from the Internet to a processor, the processor being a card account processor, bank credit card processing device,

debit card processing device, recipient credit card processing device and a debit card processing device.

29. The method of claim 28 in which the card information is encrypted at the smart card reading computer peripheral.

30. The method of claim 28 in which the credit card or debit card information is encrypted at the personal computer or workstation.

31. The method of claim 28 in which the card information is encrypted at both the personal computer or workstation and at the smart card reading computer peripheral.

32. The method of claim 28 further comprising correlating transaction information other than the card information to the encrypted debit or credit card information, and decoding the encrypted debit card or credit card information at a device remotely located from the personal computers or work stations.

33. The method of claim 28 further comprising entering a PIN number.

34. A kit for streamlining Internet transactions comprising:

an Internet linked smart card reading computer peripheral as an input device for a personal computer; a communication link for communicating the credit or debit card information from the Internet linked smart card reading computer peripheral to a personal computer; and, a routine that allows the card information to be securely transferred from the computer peripheral

to a remote computer other than the personal computer, the remote computer being communicatively linked to the Internet.

35. The kit of claim 34 further comprising a monitor, at least two speakers, and a keyboard; and, in which the remote computer is selected from the group consisting of an acquiring bank computer, and a card account processor computer.

36. The kit of claim 34 further comprising the Internet.

37. The method of claim 32 further comprising crediting or debiting an account.

38. The method of claim 37 further comprising sending a receipt comprising information representative of at least a portion of said monetary transaction data.

39. The kit of claim 34 further comprising a multiplicity of personal computers.

40. The kit of claim 39 further comprising a plurality of monitors.

41. The kit of claim 40 further comprising a plurality of keyboards and speaker.